



Patrick W. Henning, Director



Arnold Schwarzenegger  
Governor

April 13, 2009  
22M:384:ch:9013

Mr. Raymond McDonald, Executive Director  
Workforce Investment Board of Santa Barbara County  
234 Camino del Remedio  
Santa Barbara, CA 93110

Dear Mr. McDonald:

**WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2008-09**

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Santa Barbara's (SBC) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Ms. Carol Hammond from October 6, 2008 through October 10, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SBC with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with SBC representatives, service provider staff, and SBC WIA participants. In addition, this report includes the results of our review of selected case files, SBC's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on, January 16, 2009 and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed findings 1 and 2 cited in the draft report, no further action is

required at this time. However, these issues will remain open until we verify your implementation of your stated corrective action plan (CAP) during a future onsite review. Until then, these findings remain open and have been assigned Corrective Action Tracking System (CATS) numbers 90041 and 90042.

However, your response did not adequately address findings 3 and 4 cited in the draft report, we consider these findings unresolved. We request that SBC provide the Compliance Review Office (CRO) with additional information to resolve the issues that led to the findings. Therefore, these findings remain open and have been assigned CATS numbers 90043 and 90044.

### **BACKGROUND**

The SBC was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, very little of the allocated fund has been expended. However, for PY 2007-08, SBC was allocated: \$747,949 to serve 82 adult participants; \$1,089,257 to serve 234 youth participants; and \$440,464 to serve 62 dislocated worker participants.

For the quarter ending September 30, 2008, SBC reported the following expenditures for its WIA programs for PY 2007-08: \$594,973 for adult participants; \$411,076 for youth participants; and \$440,464 for dislocated worker participants. In addition, SBC reported the following enrollments: 43 adult participants; 208 youth participants; and 56 dislocated worker participants. We reviewed case files for 22 of the 208 youth participants enrolled in the WIA program as of October 6, 2008.

### **PROGRAM REVIEW RESULTS**

While we concluded that, overall, SBC is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Workforce Investment Board (WIB) and Youth Council composition, nondiscrimination and equal opportunity requirements and grievance and complaint procedure. The findings that we identified in these areas, our recommendations, and SBC proposed resolution of the findings are specified below.

#### **FINDING 1**

**Requirement:** 20 CFR 661.315(d) states, in part, that a majority of the members of the local board must be representatives of businesses in the local area.

20 CFR 661.315(2) states, in part, that membership of each Local Workforce Investment Area (LWIB) shall include two or more economic development representatives.

**Observation:** We observed that SBC's WIB is not comprised of a majority of representatives of business in the local area. Specifically, of the 19 Board members, only 7 representatives are from the local business sector. This issue was noted in previous program reviews for PY 2007-08 and PY 2006-07. We also observed that SBC's local board is missing two representatives of economic development agencies.

**Recommendation:** We recommended that SBC provide the Compliance Review Office (CRO) with a corrective action plan (CAP), including a timeline, for appointing the required members currently not represented on the board. We also recommended that once these positions are filled, SBC provide CRO with an updated roster of all members

**Santa Barbara Response:** SBC stated that the WIB was without an Executive Director for approximately one year prior to July 7, 2008. Since the hiring of a Director, efforts have been made to fill the vacant seats. On February 3, 2009 appointments and re-appointments to the WIB are being heard by the County Board of Supervisors. SBC states they will continue to make appointments to the WIB on a monthly basis until all mandatory partner vacancies and business majority are in place. SBC forecasts that the WIB membership will reach the appropriate levels no later than June 30, 2009. Finally, SBC states they recognized that securing representatives from the Economic Development community has been a challenge. In Santa Barbara County, almost all local government has dismantled their in-house economic development sections due to funding cuts and deferred such activities to the local Chamber of Commerce. Current discussions are in progress for Kate Griffith, Manager of the City of Lompoc Economic Development Department to join the WIB on or around April 1, 2009.

**State Conclusion:** The SBC's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we receive an updated WIB roster. Until then, this finding is assigned CATS number 90041.

## **FINDING 2**

**Requirement:** 20 CFR Section 661.335 states, in part, that the membership of each Youth Council must include members who represent parents of eligible youth seeking assistance.

**Observation:** The composition of the SBC Youth Council does not include a member who is a parent of an eligible youth seeking assistance. This vacancy has existed for more than one year.

**Recommendation:** We recommended that SBC provide CRO with a CAP, and a timeline, to fill the vacancy noted above. Furthermore, we recommended that SBC provide CRO with an updated roster after the vacancy is filled.

**Santa Barbara Response:** SBC stated that Youth Advisory Council has suffered during the long absence of an Executive Director. However, the Youth Council Chair and the WIB staff are committed to filling the vacancy of a parent of eligible youth no later than May 1, 2009.

**State Conclusion:** The SBC's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we receive confirmation that the Youth Council has appointed a parent of an eligible and SBC provides CRO a revised Youth Council roster demonstrating the above appointment. Until then, this finding is assigned CATS number 90042.

### **FINDING 3**

**Requirement:** 20 CFR Section 667.275(a)(1) states, in part, that recipients must comply with the nondiscrimination provisions and equal opportunity provisions.

Additionally, WSD07-6 states, in part, that initial and continuing notice of nondiscrimination and equal opportunity procedures and the right to file a complaint must be posted in prominent locations, and made available to each participant. In addition, a copy of an acknowledgement of receipt must be signed by the participant and maintained in the participants' case file.

**Observation:** We observed that six of twenty-two case files did not contain a signed equal opportunity form acknowledging that the participants were informed about the nondiscrimination and equal opportunity policy and procedures.

**Recommendation:** We recommended that SBC provide CRO with a CAP stating how it will ensure that all active participants sign an equal opportunity form acknowledging that the participants were informed about the non-discrimination and equal opportunity policy and procedures and that a copy of the acknowledgement form is maintained in the participants' case files.

**Santa Barbara  
Response:**

SBC stated that the six files in question are for participants that were enrolled prior to CRO's review in 2007 and are no longer in the program. These files did have non-discrimination and EEO documents; but these are older forms. Subsequently, Santa Barbara County staff updated its Policies and Procedures Manual to include new Non-discrimination and EEO documents that are consistent with 20 CFR Section 667.275(a)(1) and WSD07-06. Staff provided training to all program operators on the changes to the Policies and Procedures Manual in order to assure that current forms are used in the future.

**State Conclusion:**

Based on SBC's response, we cannot resolve this issue at this time. We recommended that SBC provide CRO with a CAP stating how it will ensure that all active participants sign an equal opportunity form acknowledging that the participants were informed about the non-discrimination and equal opportunity policy and procedures and that a copy of the acknowledgement form is maintained in the participants' case files. Although SBC provided information that they updated their Policies and Procedures manual to include the new Non-discrimination and EEO documents and provided training to all program operators on the changes in the Manual, SBC did not demonstrate to CRO how it will ensure that all active participants sign an equal opportunity acknowledgment form. Until then, this issue remains open and has been assigned CATS number 90043.

**FINDING 4****Requirement:**

20 CFR Section 667.600(a)(b) states, in part, that each direct recipient of WIA funds must establish and maintain a procedure for grievances and complaints according to the requirements of this section.

Directive WSD08-4 states, in part, that a copy of a written description of the local grievance and complaint procedure shall include notification that the participant has the right to file a grievance or complaint at any time within a year of the alleged violation; instructions and timeline for filing a grievance or complaint; and notification that the participant has the right to receive technical assistance. Finally, a copy of an acknowledgement of the receipt of the local grievance and complaint procedure shall be signed by the participant and included in each participant's case file.

- Observation:** We observed that six of twenty-two case files did not contain a copy of a signed acknowledgement of receipt of the grievance and complaint procedures.
- Recommendation:** We recommended that SBC provide CRO with a CAP stating how it will ensure that all active participants sign an acknowledgement of receipt of SBC's grievance and complaint policy and procedures and maintain a copy in all active participants' case files.
- Santa Barbara Response:** Similar to the Non-discrimination and EEO documentation, the six files in question are participants who are no longer in the program and were enrolled prior to changes to its Grievance and Complaint forms. The new forms are incorporated in the Policies and Procedure Manual and have been provided to its contractors via staff trainings.
- State Conclusion:** Based on SBC's response, we cannot resolve this issue at this time. We recommended that SBC provide CRO with a CAP stating how it will ensure that all active participants sign an acknowledgement of receipt of SBC's grievance and complaint policy and procedures and maintain a copy in all active participants' case files. However, SBC did not demonstrate how it will ensure that all active participants sign a grievance and complaint acknowledgement form. Until then, this issue remains open and has been assigned CATS number 90044.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than May 11, 2009. Please submit your response to the following address:

Compliance Monitoring Section  
Compliance Review Office  
722 Capitol Mall, MIC 22M  
P.O. Box 826880  
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SBC's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain SBC's responsibility.

Mr. Raymond McDonald

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April 13, 2009

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 653-7541 or Ms. Carol Hammond at (916) 653-6633. We appreciate your cooperation

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar". The signature is fluid and cursive, with the first name "Jessie" and last name "Mar" clearly distinguishable.

JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Office

cc: Jose Luis Marquez, MIC 50  
Linda Patton-Finch, MIC 50  
Daniel Patterson, MIC 45  
Georganne Pintar, MIC 50